Government Purchase Card Annual Refresher/Audit Update

FY02 Update and Refresher

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Who is GAO? In their own words:

- http://www.gao.gov/

- **The General Accounting Office is the investigative arm of Congress. GAO exists to support the Congress in meeting its Constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people.**
- **GAO examines the use of public funds, evaluates federal programs and activities, and provides analyses, options, recommendations, and other assistance to help the Congress make effective oversight, policy, and funding decisions. In this context, GAO works to continuously improve the economy, efficiency, and effectiveness of the federal government through financial audits, program reviews and evaluations, analyses, legal opinions, investigations, and other services. GAO's activities are designed to ensure the executive branch's accountability to the Congress under the Constitution and the government's accountability to the American people. GAO is dedicated to good government through its commitment to the core values of accountability, integrity, and reliability.**

What is GAO? In their own words:

- The **U.S. General Accounting Office (GAO)** is an agency that works for **Congress and the American people**. Congress asks GAO to study the programs and expenditures of the federal government. GAO, commonly called the investigative arm of Congress or the **congressional watchdog**, is independent and nonpartisan. **It studies how the federal government spends taxpayer dollars**. GAO advises Congress and the heads of executive agencies (such as Environmental Protection Agency, EPA, Department of Defense, DOD, and Health and Human Services, HHS) about ways to make government more effective and responsive. **GAO evaluates federal programs, audits federal expenditures, and issues legal opinions**. **When GAO reports its findings to Congress, it recommends actions**. Its work leads to laws and acts that improve government operations, and save billions of dollars.

Responsibilities: CARDHOLDERS

- **AFI 64-117**
- **http://afpubs.hq.af.mil/pubfiles/af/64/afi64-117/afi64-117.pdf**
- **READ the AFI, visit the websites, keep transaction log current in CARE.**
- **Know your dollar limits**
- **Review the GPC Surveillance Guide, Atch 4 in 64-117**
- **Don’t split requirements, for any reason!!**
- **Don’t ignore MANDATORY SOURCES**
- **Don’t be intimidated into making poor decisions!!**

Mandatory Sources: JWOD

- Socio-economic considerations: Javits-Wagner-O-Day Act (1971):
  - http://www.jwod.gov/jwod/index.html
  - http://www.jwod.com/
- Blind-made products are mandatory for office supplies – don't go to commercial vendors!
- NIB/NISH -- Nat'l Industries for the Blind/Nat'l Industries for the Severely Handicapped.

www.nib. org and www.nish.org -- get the catalog if you don't have one already!!

Mandatory Sources: UNICOR/DAPS

- UNICOR -- Federal Prison Industries – DoD can now determine if UNICOR is best value – but you still have to check their prices!!
- Can use up to $25K
  - Customer Service Center 800 827-3168, or FAX (606) 254-9692
  - website -- www.unicor.gov
- Defense Automated Printing Service (DAPS) –
- **Can use up to $100K**
- Edwards DAPS office closing in approximately 60 days – possibly China Lake will support us – still mandatory!!

RESPONSIBILITIES: Billing Officials

- Must be appointed in WRITING (See Figure A5.1, Sample Appointment Letter in AFI 64-117)
- MUST REVIEW, NOTE DISCREPANCIES, AND GET INVOLVED! STOP VIOLATIONS BEFORE THEY HAPPEN!!
- Perform audits of your cardholders (Para. 4.3.3.6.1) - surveillance reviews of 100% of their cardholder accounts at least every 12 months. REVIEW OF CHARGES IN C.A.R.E. FULFILLS THIS REQUIREMENT!!!

RESPONSIBILITIES: EVERYONE ELSE

- COMMANDERS and Resource Managers : Don’t ask for items outside of the card’s authority – respect the law.
- HELP your cardholders by establishing limits for “nice-to-haves” – e.g., Palm Pilots, briefcases, organizers, even pens!!
- Supervisors/co-workers – Get familiar with the rules -- don’t ask for items cardholders are not authorized to buy – and don’t argue!

Negatives in Past Audits

- Cardholders **not using mandatory NIB sources** for office supplies – it's the law, not an option!!
- Others in organization committing cardholders to pay for a service -- this can lead to **ratifications:** when a gov't employee gives a vendor the OK to perform work without ensuring funds are available to pay. Always ask:
- **Is money available?**
- **Does the vendor accept cards?**
- **Is the purchase within the legal card dollar and authority limits?**
- **Splitting requirements** – very negative view taken by auditors – when feasible, combine your requirements – you know your buying trends – if a PR is best, use one!!

Negatives (con't)

- Not obtaining appropriate coordination/review with other organizations: See Paragraphs 2.2 and 2.3
- Base/Tech Library
- HAZMAT
- IT Directorate
- Civil Engineering (For **Construction**, remember $2000.00 limit!!)
- Transportation
- HRD

Surveillance

- 5.3.3.4. Violation of the Air Force GPC Procedures: If, as a result of findings from a surveillance visit, or by any other means, it is discovered that the cardholder is in violation of the procedures contained herein, appropriate actions must be taken to preclude a reoccurrence.
- We can suspend the account, request action for reimbursement to the government, bring in the OSI, etc.

Funding Document Limit: AF Form 4009

- 4.3.6.2 Funding Document Limit. The funding document limit is a budgetary limit established on the Air Force Purchase Card Funding Authorization form (AF Form 4009] by the billing official, in coordination with, and certification by, the FSO.
- Can be issued quarterly, annually, or anytime funding needs to be changed

Appropriated Funds

- All appropriated funds rules apply to card!!!! If appropriated funds can't be used, the card can't be used either.
- Appropriation Rules that may affect what cardholders purchase most are discussed in:
- **AFI 65-601, Volume 1**
- **AFI 65-603**

CONVENIENCE CHECKS

- Paragraph 3.6 of AFI. - Disputes not available with checks!
  - DO NOT EXCHANGE CHECKS FOR CASH!!!! **JAIL TIME!!**
  - Use with vendors who do not accept plastic $2500 is check limit, but admin fee 1.7% of face value of check
  - prevents writing a check for exactly $2500, because fee would take you over the limit. Still can't split a requirement!!
  - Report amounts paid to IRS on TD Form 1099 MISC at the end of the calendar year

https://dfas4dod.dfas.mil/systems/1099/

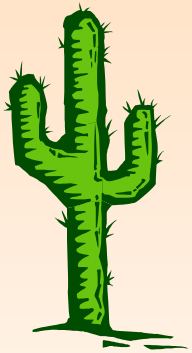
Payer's Federal Identification Number is basically Edwards AFB FIN (Federal Tax ID number) which tells the IRS who paid these individuals, Edwards. The number is 95-1645403F.

Disputes

- Give the vendor first chance to resolve.
- If not resolved with vendor within 30 days, fill out Cardholder Statement of Questioned Item (CSQI) form (available in C.A.R.E).
- Complete & fax to (701) 461-3466.
- Taxes - not disputable with bank; if credit not received, agency must pay tax or transportation costs
- Tax Letter available on-line
- http://www.fss.gsa.gov/services/gsa-smartpay/sttaxlttr.cfm

Restrictions: Gatorade

- Test is appropriated funds usage. AFMC/FMFP - 2 May 97 Analysis: ***DO NOT*** use Appropriated Funds for Gatorade - See Section 4.5 of AF Nutrition Pamphlet AFP 44-128.
- Water is best!



Restrictions: Bottled Water AFI 65-601 Vol 1 Paragraph 4.45

- No GPC for bottled or vendor-provided water unless necessary from the government's standpoint, e.g:
  - Public Water supply is unsafe for human consumption
  - Emergency failure of installation's water source
  - Temporary facility has no drinking water available within a reasonable distance
  - No water fit for drinking purposes available without cost or at a lower cost to the gov't

If union employees work in bldg where water must be purchased, get a stop agreement!

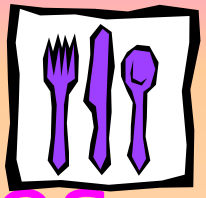
Restrictions: Food

- Food -- AFI 65-601, Volume 1 - Paragraph 4.28, Entertainment -- You can't provide food, drink or entertainment for military members, civilian employees, or any other persons, except in cases specifically authorized by law.

Restrictions: Gifts

- ONLY ONE gift allowed – flag for a retiree
- AFI 65-601, Volume 1, Section L -- Awards, Award Ceremonies and Gifts -- Do not use appropriated funds to purchase gifts for DoD Personnel. Also see AFI 65-603 -- when gifts/mementos may be presented.
- Retirement/Change of Command Gifts - Not unless specifically approved in advance by SECAF.

Refrigerators/Microwaves



- https://www.purchasecard.saalt.army.mil/discussion.htm and other web sites linked at Center Net Page, https://centernet.edwards.af.mil/pk/ - click on “Purchase Card”
- Refrigerators/ microwaves – NOT authorized, unless work area is outside of area where food can be obtained, or shift workers are assigned (e.g. South Base) – ALWAYS get concurrence from JA!!
- **NO KITCHEN UTENSILS,, FOOD SERVING MATERIALS, PLASTICWARE, COFFEE POTS, to include styrofoam cups, paper plates, etc. (See Use of Appropriated Funds Message, dated 11/2/99)**

FED EX

- **AFI 64-117, Paragraph 2.3.6: Discusses Fed Ex for payment of domestic express next business day Small Package Delivery; however, at Edwards AFB, all out-going shipments must go through**
- **95 TRANS/LGTTF. REF: *AFI 24-201*. Call Ms. Simrak or at SSgt Amaral, 7-3601. There is a 24-hour standby at Command Post for shipments after-hours.**

Customer Automation Reporting Environment (C.A.R.E.)

- https://care.usbank.com
- PROVIDES ELECTRONIC FUNCTIONALITY FOR ALL USERS
- through U.S. BANK
- C.A.R.E IS WEB-BASED – must be used for Transaction Management by cardholders and billing officials
- If you are a current cardholder and/or billing official, you MUST use C.A.R.E.
- Contact GPC Office if you have not yet obtained a log-in name and password

Over $2500 up to $25,000

- GSA buys: http://www.gsaadvantage.gov then click on E-Library on taskbar to research GSA contracts by number, vendor, or end item.
- Education & Training (mainly through HRD)
- BPAs/IDIQs written to allow card payment
- Must have sufficient funding
- UNICOR
- DAPS

Retention of Documents

- ***Now THREE YEARS*** after final payment (changed in FY02)
- Includes receipts, monthly statements, etc., IAW AFMAN 37-139, Table 64-4, R26